



Step 4: Construct An Evaluation

Construct an Evaluation

Price must be the primary factor when constructing the evaluation of bid responses.

When an applicant examines and evaluates the bids received for eligible services, it must select the most cost-effective bid. This means that the price should be the primary factor, but does not have to be the sole factor. Other relevant factors may include: prior experience including past performance; personnel qualifications including technical excellence; management capability including schedule compliance; and environmental objectives.

For example, the following would be an acceptable weighting of the factors listed above to use in evaluating bid responses, as price is weighted higher than any other single factor:

Example 1:

Factor	Weight
Price of the ELIGIBLE goods and services	30%
Prior experience	25%
Personnel qualifications	20%
Management capability	15%
Environmental objectives	10%
Total	100%

Example 2:

Factor	Weight
Price of the ELIGIBLE goods and services	30%
Prior experience	25%
Other cost factors (including price of ineligible goods and services, price of changing providers, price for breaking contract, etc)	20%
Management capability	15%
Local Vendor	10%
Total	100%

Note in Example 2 that the value or price competitiveness of ineligible cost items including the services or products that are ineligible for support cannot be included in the "Price of the ELIGIBLE goods and service" factor, but they can be considered as a separate factor, as long as it is weighted less heavily.

No bids received in response to a Form 470/RFP

If you receive one bid or no bids in response to a Form 470/RFP, we suggest that you memorialize this fact with an email to yourself or a memo to the file. Various review processes – including audits – may occur some time after your competitive bidding process has ended, and this email or memo may be the only documentation of what happened.

If you don't receive any bids after your 28-day waiting period, you can contact service providers to solicit bids and can then review and evaluate any bids received as a result. However, remember that if you post a new Form 470, issue a new RFP, or amend your existing RFP, you start a new 28-day waiting period.

Keep in mind that your state and local procurement rules may also require you to take certain actions when this situation occurs. As always, you must be in compliance with all of your state and local rules and regulations as well as FCC rules.

One bid is received in response to a Form 470/RFP

In cases where you receive only one bid, we suggest that you memorialize this fact with an email to yourself or a memo to the file. This will help to document that you didn't just keep only the winning bid.

Furthermore, remember that the FCC has stated that if you only get one bid, that does not automatically make the bid cost effective. You should review the pricing in the bid response to determine whether the costs for the products and services are significantly higher than the costs generally available in the marketplace for the same or similar products or services. If they are significantly higher, then the bid may not be cost effective. You can refer to the [Cost Effectiveness Tip Sheet](#) for more information about cost effectiveness.

Disqualification Factors

Vendor Selection Disqualification Reasons

You can set out specific requirements and disqualify bids that do not meet those requirements as long as you clearly identify the disqualification reasons on your Form 470 and/or your RFP. Disqualification reasons should be determined prior to any substantive bid evaluation. Disqualification reasons cannot be scored on a range, but rather are binary – i.e., the service provider either meets the standard or does not meet the standard.

The following items are examples of common bid disqualification reasons:

- Service provider must register with the state procurement office.
- Service provider must have a Service Provider Identification Number (SPIN).
- Service provider must have an FCC Registration Number.
- Service provider must be bonded.

If you feature these four requirements as its bid disqualification reasons, bids from service providers that do not meet all four requirements are disqualified and not evaluated further. The remaining bids must then be evaluated with the price of the eligible products and services as the factor that is weighted most heavily in the bid evaluation.

Mandatory Walkthroughs and Bidders Conference as Disqualification Reasons

You can require that bidders participate in a walkthrough of your facility or attend a bidders conference in order to submit a bid. As long as you have clearly stated in your Form 470 and/or RFP that not attending these events is a reason for disqualification, you can disqualify bids from service providers that were not present at these events.

However, you must be sure that all bidders had access to this information and have timely notice so that they have a reasonable opportunity to attend.

Note that if you use the walkthrough or bidders conference as the only opportunity to distribute the RFP, you must then wait at least 28 days from the date you last distributed the RFP before you can select your service provider.

Multi-tiered Vendor Evaluations

Multi-tiered Evaluation Processes

If you use a multi-tiered or multi-round evaluation process, the price of the eligible products and services must be the primary evaluation factor in EACH tier or round of the process.

The following is an example of such a process:

- In the first round, the applicant uses the following evaluation criteria:
 - Price of the eligible products and services (50 points)
 - Reference check (25 points)
 - Prior experience with the district (25 points)
- Bidders that do not receive at least 70 points in the first round are eliminated and not considered any further.
- In the second round, the applicant uses the following evaluation criteria:
 - Price of the eligible products and services (40 points)
 - Technical solution (35 points)
 - Price of any ineligible products and services needed in order to make the solution work (25 points)

Although the applicant did not consider bids that did not meet the 70-point threshold, the first round is not a disqualification because bidders were scored subjectively on references and prior experience with the district. Note that in each round the primary factor was the price of the eligible goods and services.

Step 3 Open a Competitive bidding
Process

Step 5 Calculate the Discount Level

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